

TITLE 3. DEPARTMENT OF FOOD AND AGRICULTURE

NOTICE IS HEREBY GIVEN that the Department of Food and Agriculture (herein after referred to as "Department") is proposing to take the action described in the Informative Digest.

A public hearing is not scheduled for this proposal. A public hearing will be held if any interested person, or his or her duly authorized representative, submits a written request for a public hearing to the Department no later than **15 days prior to the close of the written comment period**. Any person interested may present statements or arguments in writing relevant to the action proposed to the person designated in this Notice as the contact person **on or before 5:00 p.m., July 31, 2006**.

Following the public hearing, if one is requested, or following the written comment period if no public hearing is requested, the Department, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by sections 407, 18693, 18735, 18960, and 18961 of the Food and Agricultural Code, and to implement, interpret or make specific Chapter 4 (commencing with section 18650), Chapter 4.1 (commencing with section 18940), and Chapter 6 (commencing with section 19501), of Part 3, Division 9, and Chapter 3 (commencing with section 24951) of Part 1, Division 12, of said Code, the Department is considering adding new Articles 1 through 14 to Subchapter 1, Chapter 4, Division 2, of Title 3 of the California Code of Regulations as follows:

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

MEAT AND POULTRY INSPECTION:

Existing law, Food and Agricultural Code Chapter 4 (commencing with section 18650), 4.1 (commencing with section 18940), Chapter 5 (commencing with section 19200), Chapter 6 (commencing with section 19501) of Part 3, Division 9, and Chapter 2 (commencing with section 24651) and Chapter 3 (commencing with section 24951) of Part 1, Division 12, 5 of Part 1, Division 12, authorize the Department of Food and Agriculture's (Department) Meat and Poultry Inspection Branch to license and inspect custom livestock slaughterhouses, pet food slaughterers, and meat processing establishments, that are exempt from federal inspection. The Branch also trains and licenses industry personnel to become licensed Livestock Meat Inspectors and Processing Inspectors to perform meat inspection activities. Such meat processing establishments and inspection activities pertain to facilities that are exempt from

inspection by the United States Department of Agriculture (USDA), but require inspection in California.

To implement the above-referenced statutes, the Department has in place existing regulations under Articles 1, 2 and 3 of Subchapter 1, Chapter 4, Division 2 of Title 3 of the California Code of Regulations. The regulations specify the requirements for inspecting meat and poultry in California, the examination and licensure requirements for Livestock Meat Inspectors and Processing Inspectors, and the requirements for persons operating a slaughter and/or meat processing establishment. The regulations also include references to the Code of Federal Regulations (CFR) relating to meat and poultry inspection.

This proposal reorganizes the existing regulations for meat and poultry inspection and adopts substantive updated requirements under new Articles 1 through 14 of Subchapter 1 of Chapter 4, Division 2, of Title 3 of the California Code of Regulations.

COMPARABLE FEDERAL REGULATIONS

The Department is adopting, or incorporating by reference, specified sections of the following federal rules, requirements, and policies with such changes as specified in this proposal to make them applicable to state operations and transactions for meat and poultry inspection pursuant to sections 18735 and 18961 of the Food and Agricultural Code:

- 7 USC Ch. 48 (1-7-03) Humane Methods of Livestock Slaughter
- 21 UCS Ch. 9 (1-2-01) Federal Food, Drug, and Cosmetic Act
- 9 CFR Ch. III (2005) Part 301 Terminology; Adulteration and Misbranding Standards
- 9 CFR Ch. III (2005) Part 302 Application of Inspection and Other Requirements
- 9 CFR Ch. III (2005) Part 303 Exemptions
- 9 CFR Ch. III (2005) Part 307 Facilities for Inspection
- 9 CFR Ch. III (2005) Part 309 Ante-Mortem Inspection
- 9 CFR Ch. III (2005) Part 310 Post-Mortem Inspection
- 9 CFR Ch. III (2005) Part 311 Disposal of Diseased or Otherwise Adulterated Carcasses and Parts
- 9 CFR Ch. III (2005) Part 312 Official Marks, Devices and Certificates
- 9 CFR Ch. III (2005) Part 313 Humane Slaughter of Livestock
- 9 CFR Ch. III (2005) Part 314 Handling and Disposal of Condemned or other Inedible Products at Official Establishments
- 9 CFR Ch. III (2005) Part 316 Marking Products and Their Containers
- 9 CFR Ch. III (2005) Part 317 Labeling, Marking Devices, and Containers
- 9 CFR Ch. III (2005) Part 318 Entry into Official Establishments; Reinspection and Preparation of Products
- 9 CFR Ch. III (2005) Part 319 Definitions and Standards of Identity or Composition
- 9 CFR Ch. III (2005) Part 381 Poultry Inspection, Subpart C, Exemptions
- 9 CFR Ch. III (2005) Part 381 Poultry Inspection, Subpart P, Definitions and Standards of Identity or Composition

- 9 CFR Ch. III (2005) Part 416 Sanitation
- 9 CFR Ch. III (2005) Part 424 Preparation and Processing Operations
- 21 CFR Ch. I (2004) Part 170 Food Additives, Subparts A and B
- USDA/FSIS Directive 7120.1 (11-3-03, 8-4-04 and 4-7-05) Safe and Suitable Ingredients Used in the Production of Meat and Poultry Products
- USDA/FSIS Directive 7220.1, Revision 3, March 2, 1985 Food Labeling Division Policy Memoranda
- USDA/FSIS, Office of Policy Program Development Food Standards and Labeling Policy Book, May 2003

FISCAL IMPACT STATEMENTS

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State: None

Nondiscretionary Costs/Savings to Local Agencies: None

Local Mandate: None

Cost to Any Local Agency or School District for Which Government Code Section 17561 Requires Reimbursement: None

Business Impact: The Department has made an initial determination that this proposed regulatory action will not have a significant statewide adverse economic impact directly affecting California businesses, including the ability of California businesses to compete with businesses in other states. This proposal pertains to custom livestock slaughterhouses, pet food slaughterers, and meat processing establishments, that are exempt from federal inspection. It also pertains to licensed Livestock Meat Inspectors and Processing Inspectors performing meat inspection activities. This proposal imposes the following paperwork, reporting and record keeping requirements upon businesses:

Paperwork, Reporting and Record Keeping: (a detailed list is included in the rulemaking file, along with form numbers, and is available to the public by contacting the persons named in this Notice):

Completion of application forms for businesses applying for a Custom Livestock Slaughterhouse license or a Meat Processing Plant license;

Completion of an application for a permit to obtain specimens from official meat processing establishments;

Completion of reports and records for plant inspection: Schedule of operations; general facility notes; daily and monthly processing report; monthly report for processing operations at state inspected meat and poultry establishments; daily livestock slaughter report; monthly summary of livestock slaughtered and

inspected; label formulation and approval form; In-depth review of cooked sausage; In-depth review of cured/cooked and smoked meats; smokehouse chart; plants freezing pork to destroy trichina; plant certified pork use record. Custom Livestock Slaughterhouse plan guidelines and Custom Livestock Slaughterhouse construction and equipment guidelines; Meat Processing Establishment plan guidelines, and Meat Processing Establishment construction and equipment guidelines.

In making these determinations, the Department has not considered alternatives that would lessen any adverse economic impact on businesses and invites the public to submit such proposals during the written comment period. Submissions may include the following considerations:

- The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to businesses.
- The consolidation or simplification of compliance and reporting requirements for businesses.
- The use of performance standards rather than prescriptive standards.
- Exemption or partial exemption from the regulatory requirements for businesses.

Impact on Jobs/New Businesses: The Department has determined that this regulatory proposal will not have any impact on the creation of jobs or businesses or the elimination of jobs or existing businesses or the expansion of businesses in California.

Cost Impacts on Private Persons or Entities: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. This proposal pertains to custom livestock slaughterhouses, pet food slaughterers, and meat processing establishments, that are exempt from federal inspection. It also pertains to licensed Livestock Meat Inspectors and Processing Inspectors performing meat inspection activities. This proposal imposes the following paperwork and record keeping requirements upon persons: Processing Inspector License Application, Livestock Meat Inspector License Application, Livestock Slaughter Inspection Handbook, and Processing Inspector Handbook.

Effect on Housing Costs: None

Finding of Necessity for Report: The Department finds that it is necessary for the health, safety, and general welfare of the people of the state that this regulation requiring a report apply to businesses.

EFFECT ON SMALL BUSINESS

The Department has determined that the proposed regulations would affect small businesses.

CONSIDERATION OF ALTERNATIVES

The Department must determine that no reasonable alternative which it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action described in this Notice.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing (if a hearing is requested from the public), or during the public comment period.

INITIAL STATEMENT OF REASONS

The Department has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing (if a hearing is requested) or during the public comment period upon request from the Department of Food and Agriculture, 1220 N Street, Room A-116, Sacramento, California 95814.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public inspection by contacting the persons named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact persons named below.

CONTACT PERSONS

Inquiries concerning the substance of the proposed regulations are to be addressed to the following:

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| Name: | Douglas Hepper, DVM |
| Address: | Department of Food and Agriculture Meat and Poultry Inspection Branch 1220 N Street, Room A-125 Sacramento, CA 95814 |
| Telephone No.: | (916) 657-5295 |

Fax No.: (916) 654-2608
E-mail address: DHepper@cdfa.ca.gov

Inquiries concerning the rulemaking process are to be addressed to the following:

Name: Nancy Grillo, Associate Analyst
Address: Department of Food and Agriculture
1220 N Street, Room A-116
Sacramento, CA 95814
Telephone No.: (916) 651-7280
Fax No.: (916) 653-4249
E-mail address: NGrillo@cdfa.ca.gov

Written comments, facsimiles or e-mails regarding this proposal are to be addressed to the following:

Name: Douglas Hepper, DVM
Address: Department of Food and Agriculture
Meat and Poultry Inspection Branch
1220 N Street, Room A-125
Sacramento, CA 95814
Telephone No.: (916) 657-5295
Fax No.: (916) 654-2608
E-mail address: DHepper@cdfa.ca.gov

Website Access:

Materials regarding this proposal can be found at <http://www.cdfa.ca.gov>